

## Burns Randy

---

**From:** Crownover Shirley  
**Sent:** Wednesday, November 19, 1997 11:02 AM  
**Subject:** 11/18/97

ECONOMIC DEVELOPMENT COMMITTEE  
November 18, 1997  
4:30 P.M.

A meeting of the Economic Development Committee was called to order by Councilman Crockett, Chairman, with Councilpersons Hurley, Swafford, Taylor, Hakeem, Pierce, and Eaves being present. Councilman Lively joined the meeting later. City Attorney Mike McMahan, Management Analyst Randy Burns, and Shirley Crownover, Assistant Clerk to the Council, were also present. Mayor Kinsey was present at the meeting.

### JRB COMPANY PROJECT AND SEARS ROEBUCK AND CO. PROJECT

Chairman Crockett called the meeting to order and stated that the purpose of the meeting was to discuss two new businesses coming into Chattanooga--JRB Co., Inc. and Sears Roebuck and Co. He stated he would let Mayor Kinsey explain our consideration and support through tax agreements.

Mayor Kinsey stated that these were two new companies starting out in Chattanooga; that he did not know what JRB stood for--that it was not a local company other than Komatsu was one of its customers, and it was locating here primarily because of Komatsu; that it would be located within the city limits in Lookout Valley and would be a new plant with 100 to 150 employees in the manufacturing field. He explained that this would encompass a five-year tax abatement at 50% and would result in a minimum of 100 jobs with the understanding that there could be an extra five years--that this included both personalty and real property taxes.

The other company was Sears Roebuck and Co. Mayor Kinsey explained that this was a pilot program for Sears around the country; that they would fix small appliances like VCR's and televisions--that this would be the first one in the country; that they would pay between \$12.00 and \$20.00 an hour for repairs. He explained that they were making a big push to hire people on welfare, and this was a great opportunity.

He stated that this would be located in the Bonny Oaks Industrial Park and was going into an existing building. He explained this would also be a 50% rebate but for five years only and personalty taxes only. He stated that Sears was a great company and that this boded well for the future of the City with a commitment of welfare to work.

Councilman Eaves asked what the overall amount would be in dollars. Mayor Kinsey responded that Sears was approximately \$48,000 over five years, noting that we would be getting \$48,000 plus jobs; that Sears should be producing around 134 jobs.

Councilman Hakeem stated he was trying to come up with a delicate way of saying something. He was questioning whether there was any knowledge of the percentage of people from the "core" City working in the Lookout Valley Park location; that the City had invested a lot in making this area economically feasible and questioned if they hired people from the "core" City or were using employees from Georgia and Alabama.

Mayor Kinsey stated he was not sure of the percentage--that he was sure that it was a combination of all; that he did not have a factual figure.

At this point Councilwoman Hurley mentioned a local meeting she had attended concerning "Family First"; that she felt it would be beneficial to the Council to have a concise report on the current state of this; that it would involve about 500 new jobs. She stated she knew this was not germane to this issue, but she felt it would be beneficial to know. She stated that Councilwoman Rutherford chairs the committee where this could be appropriately discussed or it could maybe come before the Economic Development Committee. She stated she would be glad to arrange this.

Chairman Crockett stated we could try to find a factual figure on the jobs, noting that there was a "break-down" in the newspaper a few weeks ago, using graphs, concerning jobs and people coming and going from Alabama and Georgia; that it seemed to him that it was about a "wash"--that people from Chattanooga were going to Georgia to work as well as people from Georgia coming here to work.

Councilman Swafford noted that Pem Guerry was present today; that he had attended a meeting where a lady from Sears had told him that one of the things that sold her on Chattanooga was the information she was able to get from RiverValley on the computer web site; that this was the best and easiest access they had had and one of the keys that pulled them here. He stated he thought this needed to be mentioned in the presence of Pem Guerry.

Councilman Hakeem stated not to counter what Chairman Crockett had said about the "wash"; that he had been at RiverValley Board meetings and others where they had bragged about Chattanooga's unemployment rate, but he knows there is a segment of this town where there is

unemployment and as long as there are pockets like that where there are people unemployed that it creates a problem.

Chairman Crockett stated that Councilman Hakeem's point was valid, but he did see that graph in the paper about jobs; that he thought this was a separate point from the point Councilman Hakeem was making.

Mayor Kinsey stated that jobs are here now; that folks will be getting the training and will be able to take the jobs.

Councilman Pierce mentioned an endeavor that he thought we were working on jointly with the County and asked how long it would take this to "kick" in. Mayor Kinsey responded that the Chamber had appointed a Chairman; that in the absence of guidelines it is hard. He stated he wanted this more than anyone. Pem Guerry added that the Chairman's name was Frank Shriner; that they would meet on December 12th and should have something back in January.

Councilman Taylor asked about the timeframe on bringing these new businesses in. Mayor Kinsey responded that Sears would open in January and JRB shortly thereafter; that he did not have this information with him. Councilman Taylor noted that 130-150 new jobs had been mentioned and he questioned how many they would be bringing with them. Mayor Kinsey stated that he thought about all of the jobs would be from here--that most would be hired locally.

Councilman Lively, whose district will be affected, stated he thought he pretty well understood this; that no two situations are the same, and we have to deal with them as they come.

Councilman Taylor asked where we were on "Culp". Mayor Kinsey responded it was under construction.

At this point a representative of JRB joined the meeting--John Davis who was president; also Susan Russell who was a corporate attorney for Sears. The president stated that JRB was the initials of the owner.

Councilman Pierce asked what kind of jobs JRB would create. The answer was office personnel, welders, machinists, laborers, etc. Councilman Pierce asked how many they would be bringing in. Mr. Davis responded that they were transferring a few people--that they would bring in about 8 from two other of their plants; that they should have in excess of 100 jobs within the next five years.

Chairman Crockett expressed his appreciation for the presence of Mr. Davis and Ms. Russell at the meeting and their interest in locating in this community.

Councilman Pierce stated he would like to hear Sears' voice, and Ms. Russell asked what she could tell him.

On motion of Councilwoman Hurley, seconded by Councilman Hakeem, these two resolutions will be recommended to the full Council and will be on tonight's agenda.

The meeting adjourned at 5:30 P.M.